

CHAPTER 15.1-07 SCHOOL DISTRICTS

15.1-07-01. School district - Corporate powers.

1. Each school district in this state is a public school district governed by the provisions of this title. Each school district is a body corporate. Each school district may sue and be sued, contract, and convey any real and personal property that comes into its possession.
2. The board of education of the city of Fargo is a body corporate. It has the power to sue and be sued and to contract with others. It possesses all the powers usual and incidental to a body corporate.

15.1-07-02. School district - Name change. In order for the name of a school district to be changed, the question must be placed before and approved by a majority of the district's qualified voters at a district election. The school board may place the question on the ballot by resolution and shall place the question on the ballot if it receives a petition signed by qualified electors of the district equal in number to at least one-third of those who voted at the most recent annual school district election. If a majority of the district's qualified voters approve the name change, the district must be renamed accordingly. The business manager of the district shall provide notification of the new name to the county auditor, the county superintendent of schools, and the superintendent of public instruction.

15.1-07-03. District's limit of indebtedness - Resolution.

1. The board of a school district may by resolution place on the ballot of any regular or special election the question of increasing the district's limit of indebtedness, beyond that fixed by the constitution, by five percent of the assessed valuation of all taxable property in the district.
2. The board of a school district shall place on the ballot of the next regular or special election the question of increasing the district's limit of indebtedness, beyond that fixed by the constitution, by five percent of the assessed valuation of all taxable property in the district, if the board receives a petition requesting the increase and signed by qualified electors of the district equal in number to at least one-third of those who voted at the most recent annual school district election.

15.1-07-04. District's limit of indebtedness - Election - Notice. If an election is to include a question regarding an increase in the school district's limit of indebtedness, the board of the school district shall ensure that the question is clearly stated in the notice of election. If the board calls a special election to vote on the question of increasing the district's limit of indebtedness, the board shall publish notice of the election in the official newspaper of the district, at least fourteen days before the date of the election.

15.1-07-05. District's limit of indebtedness - Ballot. In an election to increase a school district's limit of indebtedness, the ballots must state the question in clear and concise language.

15.1-07-06. District's limit of indebtedness - Increase. If a majority of the votes cast are in favor of increasing the school district's limit of indebtedness, the limit is raised to ten percent of the assessed valuation of all taxable property in the district.

15.1-07-07. District's limit of indebtedness - Increase - Notification of county auditor. If a majority of the votes cast are in favor of increasing the school district's limit of indebtedness, the president of the school board and the school district business manager shall inform the county auditor, in writing, of the election results and of the fact that the district's limit of

indebtedness has been increased to ten percent of the assessed valuation of all taxable property in the district.

15.1-07-08. School district funds - Transfers. At the time of preparing the annual budget, a school board, by resolution, may transfer from the general fund of the district the amount of money, in whole or in part, by which the balance in the general fund exceeds the amount that would be required for the general reserve fund in the ensuing fiscal year, into any sinking funds of the district established and held for the payment of outstanding bonds.

15.1-07-09. Sinking fund - Transfers - Increases. If a school board transfers money into a sinking fund, the board may not consider the money to be cash on hand when computing the budget for the ensuing fiscal year. A school board may not through transfers increase a sinking fund to the extent that the sinking fund is greater than the amount needed to pay the bond issue in full.

15.1-07-10. Activities fund. The board of a school district shall establish an activities fund for the support of school-related extracurricular activities. The school district business manager shall deposit all receipts from extracurricular activities in the activities fund. The business manager shall submit to the school board a monthly report of receipts, expenditures, and balances in the activities fund.

15.1-07-11. Incidental revolving fund. The board of a school district may establish a revolving fund from which to pay incidental expenses. The board shall establish the amount to be retained in the incidental fund and must draw the amount from the general fund of the district. The school district superintendent or another school administrator designated to draw checks on the fund shall submit a monthly report to the school board listing the checks drawn, the payee, and the purpose for which each check was drawn.

15.1-07-12. Negotiable instruments - Disbursement of moneys by business manager.

1. a. The board of a school district may adopt policies governing the disbursement of school district moneys by the business manager.
 - b. The policies adopted under subdivision a may include:
 - (1) The authorization, creation, and approval of negotiable instruments;
 - (2) The use of credit or debit cards;
 - (3) The payment of invoices;
 - (4) The use of petty cash;
 - (5) The use of electronic payments; and
 - (6) The use of facsimile signatures.
 - c. The policies adopted under subdivision a must include internal controls to safeguard school district moneys.
2. If the board of a school district has not adopted policies to govern the disbursement of school district moneys by the business manager, the business manager may disburse moneys only by issuance of a negotiable instrument upon presentation of a bill or invoice, the payment of which has been authorized by the president of the school board, and only if there are sufficient moneys available for the disbursement. Upon issuing a negotiable instrument, the business manager shall make a record of the instrument.

15.1-07-13. Negotiable instruments - Cancellation - Description in minutes. The board of a school district, at a regular meeting, may cancel all negotiable instruments that have remained unpaid for one year or more. Before canceling a negotiable instrument, the board shall enter in its minutes a brief description of the instrument, including the name of the payee, and the number, date, and amount of each instrument to be canceled. If any party entitled to payment appears and shows cause for the delay in presenting the instrument for payment, the board may issue a new instrument in the amount to which the party is entitled, unless the board is barred from so doing by the statute of limitations.

15.1-07-14. Qualified elector.

1. An individual who is a qualified elector of this state may:
 - a. Vote to elect board members for the school district in which the individual resides.
 - b. Serve as a board member for the school district in which the individual resides.
 - c. Serve as a judge or clerk of election for the school district in which the individual resides.
 - d. Serve as the business manager of a school district.
2. For the purposes of elections held under this chapter, an individual residing on a military installation is deemed to be a resident of a school district if the school district admits students from the military installation pursuant to a contract and receives impact aid pursuant to Public Law No. 81-874 [64 Stat. 1100; 20 U.S.C. 236 et seq.], as amended.

15.1-07-15. School district election - Violation - Penalty. An individual who willfully violates the provisions of this title in relation to elections is guilty of a class A misdemeanor.

15.1-07-16. New district - Enumeration. The board of a school district organized after the annual enumeration has been taken shall proceed immediately to take the enumeration, as provided by law, and after receipt of the enumeration by the superintendent of public instruction, the newly organized district shall receive its share of apportioned funds.

15.1-07-17. School district contracts - Conflict of interest - Penalty.

1. A school board member or other school officer who has a conflict of interest in any contract requiring the expenditure of school funds shall disclose the conflict to the board and may not participate in any discussions or votes regarding that contract without the consent of all other board members.
2. For purposes of this section, a conflict of interest means the personal, professional, or pecuniary interest of an individual, the individual's spouse or relative, or the individual's business or professional associate.
3. Any person who violates this section is guilty of a class A misdemeanor.

15.1-07-18. Offer of reward - Purchase of school supplies - Penalty. It is a class A misdemeanor for any person to give or offer to a county superintendent of schools, a school board member, or a school district employee a commission, fee, or other reward for the purchase by the district of any textbooks, furniture, or school supplies.

15.1-07-19. Reward for purchase of school supplies - Penalty. It is a class B misdemeanor for a county superintendent of schools, a school board member, or a school district employee to accept a commission, fee, or other reward for the purchase by the district of any textbooks, furniture, or school supplies.

15.1-07-20. Schoolbus driver - Requirements.

1. To be eligible to drive a schoolbus or other school vehicle, an individual must:
 - a. Hold a valid North Dakota driver's license;
 - b. Be free from communicable diseases;
 - c. Be in good physical health and have normal use of both hands, both feet, both eyes, and both ears;
 - d. Be of sound mental health;
 - e. Pass any drug and alcohol screening tests required by the school board; and
 - f. Be at least twenty-one years of age, unless the board of a school district determines that an individual not meeting this requirement can safely and adequately perform the required duties.
2. Each year, the board of a school district shall designate licensed health care professionals, as defined by department of transportation standards, to examine schoolbus and school vehicle drivers.
3. Prior to commencing duties as the driver of a schoolbus or other school vehicle, whether employed by the school district or by another entity with whom the school board has contracted, and every two years thereafter, an individual shall present to the school board verification by a designated health care professional that the individual has been examined and meets the health requirements of this section.
4. This section does not prohibit teachers or administrators employed by the district from operating vehicles for the purpose of transporting students to regular or special events related to educational programs in which the students are enrolled.

15.1-07-21. School district business manager - Duties. The business manager of a school district shall:

1. Keep a true and accurate record of all school board proceedings.
2. Hold all books and records of the district and deliver them to the business manager's successor in office.
3. Prepare and submit an annual report to the board and to the county superintendent of schools.
4. Authorize the preparation of all negotiable instruments as directed by the board.
5. Perform all duties required by law.
6. Perform duties required by the board.
7. Keep true and accurate district financial records.
8. Prepare and submit a school district financial report to the board quarterly or in the case of a business manager for a district having only one-room or two-room schools, to submit the report at the request of the board.
9. Produce all district financial records when directed to do so by the board.
10. Maintain custody of all district moneys coming into the business manager's hands.

11. Pay out district moneys under the business manager's control as directed by the board.
12. Receive and maintain custody of all moneys to which the district or the board is entitled.

15.1-07-22. School district business manager - Affirmation or oath of office.
Repealed by S.L. 2001, ch. 161, § 37.

15.1-07-23. School district business manager - Bond. A school district business manager shall furnish to the school board a bond in an amount to be fixed by the school board and equal to at least twenty-five percent of the maximum amount of money subject to the business manager's control at any one time. The bond must be conditioned for the faithful discharge of the business manager's duties, including the maintenance of accurate financial records and the safekeeping and deliverance of all school district property and funds that come into the business manager's control.

15.1-07-24. School district business manager - Funds - Accounting. Unless otherwise provided by law, the business manager of a school district is responsible for the safekeeping of all school district funds. The business manager shall keep a general account of the district's receipts and expenditures and itemized accounts for each class of receipts and expenditures, unless otherwise directed by the superintendent of public instruction.

15.1-07-25. School district records - Open - Exception.

1. Except as otherwise provided by law, all records and documents of a school district are open to examination by any person. These records and documents, or copies certified by the business manager, are prima facie evidence of the facts set forth in the records and documents.
2. If a complaint is filed concerning a school district employee and an administrative investigation is conducted, any record or document generated as part of the administrative investigation is confidential and not subject to the requirements of this section or section 44-04-18, until the investigation is completed. The investigation and any determination of disciplinary action may not exceed sixty days from the date the complaint is filed.

15.1-07-26. School district demographics - Long-term planning process.

1. Between January first and June thirtieth of every even-numbered year, the board of each school district shall invite the public to participate in a planning process addressing the effects that demographics might have on the district in the ensuing three-year and five-year periods, and specifically addressing potential effects on:
 - a. Academic and extracurricular programs;
 - b. Instructional and administrative staffing;
 - c. Facility needs and utilization; and
 - d. District tax levies.
2. At the conclusion of the planning process, the board shall prepare a report, publish a notice in the official newspaper of the district indicating that the report is available, and make the report available upon request.

15.1-07-27. High school district - Change to elementary district - Prohibited.

1. Beginning July 2, 2003, a high school district may not become an elementary district.
2. Subsection 1 does not apply to school districts participating in cooperative agreements approved by the superintendent of public instruction.

15.1-07-28. Educational association - Joint powers agreement - Review by superintendent of public instruction - Criteria. Before school districts participating in an educational association governed by a joint powers agreement may receive any moneys, as provided in section 15.1-27-40, the superintendent of public instruction shall review the joint powers agreement and verify that:

1. The school districts participating in the agreement have:
 - a. A combined total land mass of at least five thousand eight hundred square miles [1502193 hectares];
 - b. A combined total land mass of at least four thousand five hundred square miles [1165494 hectares] and number at least twelve;
 - c. A combined total land mass of at least four thousand square miles [1035995 hectares] and have at least three thousand students in average daily membership; or
 - d. A combined total land mass of at least one thousand five hundred square miles [388498 hectares] and have at least seven thousand five hundred students in average daily membership.
2. The school districts participating in the agreement are contiguous to each other or, if the districts are not contiguous to each other, the superintendent of public instruction shall verify that the participating districts can provide sound educational opportunities to their students in a fiscally responsible manner without injuring other school districts or educational associations governed by joint powers agreements and without negatively impacting the ability of other school districts or educational associations governed by joint powers agreements from providing sound educational opportunities to their students in a fiscally responsible manner. A decision by the superintendent of public instruction under this subsection may be appealed to the state board of public school education. A decision by the state board is final.
3. The joint powers agreement requires that the participating school districts maintain a joint operating fund and share various administrative functions and student services in accordance with subsection 4.
4.
 - a. During the first two school years in which an educational association governed by a joint powers agreement is operational, each of the participating school districts shall share in at least two administrative functions and two student services, selected by the district.
 - b. During the third and fourth school years in which an educational association governed by a joint powers agreement is operational, each of the participating school districts shall share in at least three administrative functions and three student services, selected by the district.
 - c. During the fifth school year in which an educational association governed by a joint powers agreement is operational, and each year thereafter, each participating school district shall share at least five administrative functions and five student services, selected by the district.
 - d. For purposes of this subsection:

- (1) "Administrative functions" means:
- (a) Business management;
 - (b) Career and technical education services management;
 - (c) Curriculum mapping or development;
 - (d) Data analysis;
 - (e) Federal program support;
 - (f) Federal title program management;
 - (g) Grant writing;
 - (h) School improvement;
 - (i) School safety and environment management;
 - (j) Special education services management;
 - (k) Staff development;
 - (l) Staff retention and recruitment;
 - (m) Staff sharing;
 - (n) Technology support; and
 - (o) Any other functions approved by the superintendent of public instruction.
- (2) Student services means:
- (a) Advanced placement classes;
 - (b) Alternative high schools or alternative high school programs;
 - (c) Career and technical education classes;
 - (d) Counseling services;
 - (e) Common elementary curricula;
 - (f) Distance learning classes;
 - (g) Dual credit classes;
 - (h) Foreign language classes;
 - (i) Library and media services;
 - (j) Summer programs;
 - (k) Supplemental instruction programs; and
 - (l) Any other services approved by the superintendent of public instruction.

- e. For purposes of this subsection, if an educational association governed by a joint powers agreement became operational before July 1, 2005, the 2005-06 school year must be considered the association's first year of operation.
- 5. The joint powers agreement provides:
 - a. Criteria for the future participation of school districts that were not parties to the original joint powers agreement;
 - b. An application process by which school districts that were not parties to the original joint powers agreement can become participating districts; and
 - c. A process by which school districts that were not parties to the original joint powers agreement and whose application to participate in the agreement was denied can appeal the decision to the superintendent of public instruction.
 - 6. The joint powers agreement provides for the employment and compensation of any staff necessary to carry out the provisions of the agreement and the requirements of sections 15.1-06-04, 15.1-06-06, 15.1-07-28, 15.1-07-30, 15.1-09-01, 15.1-12-26, 15.1-12-27, 15.1-12-29, 15.1-18-07, 15.1-22-01, 15.1-27-04, 15.1-27-05, 15.1-27-06, 15.1-27-07, 15.1-27-11, 15.1-27-15, 15.1-27-35, 15.1-27-37, 15.1-27-39, 15.1-27-40, 15.1-28-03, 15.1-29-03, 15.1-29-04, and 15.1-29-12.
 - 7. The joint powers agreement provides for a governing board that consists only of individuals who serve on the boards of the participating school districts or designees of the respective school board members, provided however that a joint powers agreement may allow for the inclusion of ex officio nonvoting members on the educational association's board.
 - 8. The joint powers agreement provides that the board of the educational association shall meet at least quarterly.
 - 9. The joint powers agreement does not permit the educational association to compensate members of the educational association board for attending meetings of the board and that it does not permit the educational association to reimburse members of the board for any expenses incurred in attending meetings of the educational association board.

15.1-07-29. Ending fund balance - Amount.

- 1. The board of a school district may carry over moneys to the ensuing fiscal year to meet the cash requirements of all funds or purposes to which the credit of the school district may be legally extended.
- 2. For taxable years beginning after December 31, 2003, and ending on December 31, 2007, the amount carried over by a school district may not exceed fifty percent of the current annual budget for all purposes other than debt retirement and amounts financed from bond sources plus twenty thousand dollars.
- 3. For taxable years beginning after December 31, 2007, the amount carried over by a school district may not exceed forty-five percent of the current annual budget for all purposes other than debt retirement and amounts financed from bond sources plus twenty thousand dollars.

15.1-07-30. Compensation - Reimbursement - Extraordinary service. The board of an educational association established under section 15.1-07-28 may provide compensation and reimbursement to any board member who, at the direction of the board, performs extraordinary service on behalf of the board. For purposes of this section, "extraordinary service" means

duties beyond those reasonably expected of members of the board and includes travel to and attendance at national meetings or conventions.